

Through a Decade of Annual Reports 1967-1977

The President's Message, obligatory in annual reports, often consists of pointing with pride at one or another accomplishment and to painting rosy pictures of the future.

Looking back at these messages can often be an embarrassment: the finger pointed with pride at the wrong thing; the predictions were wrong; management in hindsight did not understand what was happening.

But, really, not so with Commodore. As we reread the messages it becomes clear that Commodore's management saw—perhaps far better than most larger companies blessed with all sorts of advanced marketing and technological research—that the future of figuring machines belonged to the electronic calculator and that the electronic calculator would become a mass-marketed product.

Here are some highlights from Commodore's annual reports of the last decade. These statements are illustrative of the content of the President's Message; they are not ripped out of context. All messages during this period are from Jack Tramiel.



President

(Current comments are in italics.)

1967 ANNUAL REPORT

"Commodore is in the midst of entering the sophisticated and rapidly expanding field of electronic calculators . . . a very significant step for a young and small company . . . a very natural step, due to the ever increasing demand . . . for more efficient and advanced methods of calculation. Two models of electronic calculators will be introduced in January 1968 . . ."

. . . At a time when all the giant figuring machine companies were increasing their emphasis on electromechanical products.

1968 ANNUAL REPORT

"Commodore's entry . . . into the electronic calculator market has proved a success. Our highly advanced model AL1000, which can be programmed to do the simplest or the most complex calculations, is already being used by many major corporations and institutions in Canada and the United States.

"Possibly the first programmable calculator . . . three new IC (integrated circuitry) electronic calculators will be added shortly to Commodore's range.

"Commodore's research and development division previously located in Norfolk, Connecticut, was moved to a new location in Aptos, California."

Commodore became one of the pioneers in the move to Silicon Valley . . . the home of most of the advanced electronic technology that takes place in the world today.

1969 ANNUAL REPORT

"We are now . . . a major supplier of versatile, dependable but low-cost figuring machines and electronic calculators.

". . . an increasingly versatile range of desk-top electronic calculators . . . sales increased 245%. tration of the vast home appliance market in North America."

The early recognition of the mass market potential of figuring machines.

. . . An increasingly versatile range of desk-top electronic calculators . . . sales increased 245%.

"Considerable progress . . . developing the Commodore designed LSI (large scale integrated circuitry) electronic calculators . . . also . . . in the development of a new LSI type electronic printer . . .

. . . export sales . . . increased deliveries . . . in Europe and in January, 1970, will introduce the complete line of electronic desk-top calculators.

We were among the first to recognize that LSI—large scale integrated—components would represent the second wave in electronic calculator history, replacing the bulky and expensive first wave of electronics.

1970 ANNUAL REPORT

"We are already strong in the electronic calculator field and are continually getting stronger. Our research and development . . . in the forefront . . . by the recently introduced pure MOS/LSI electronic calculators. Expanded products resulting from this new technology will . . . capture an ever-increasing market share.

"The location of our research and development division now in the center of the northern California electronic 'silicon valley' . . ."

1971 ANNUAL REPORT

"Commodore . . . first with the introduction of a full performance electronic calculator at a price below the magic \$200 barrier.

". . . Commodore name before vast mass merchandising audiences, as it was unanimously accepted by major consumer outlets around the globe . . . in the United States . . . in continental Europe and the United Kingdom.

"Commodore's emphasis on research and development has resulted in the manufacture of new *American-made* calculators . . . the Commodore Minuteman 1."

Really an historic event. Here is the actual beginning of the calculator market as we know it today.

1972 ANNUAL REPORT

". . . consumer-oriented calculators . . . reached into vast new markets; . . . supplementing existing distribution networks for business calculators throughout the world.

"Company designers are now involved in creating a line of MOS/LSI chips for more sophisticated printing calculators for both consumer-oriented and scientific applications.

"We introduced . . . the first mini-desk and hand-held personal calculators with independent memory systems retailing for less than \$150 . . . we broke the magic \$100 retail price with our new Minuteman II. The response to all three models has been tremendous."

1973 ANNUAL REPORT

". . . we intend to build our own components. In production now is our own MOS/LSI chip set for 2-memory, square root printing calculators . . . a series of advanced technology chips. From these logic components will evolve an even broader line of hand-held and desk-top calculators—from simple arithmetic machines to scientific application equipment.

"(Our) hand held display models . . . were being merchandised in chain and department stores, in premium promotions and through mail order houses everywhere.

"Commodore's consumer line of equipment is by far the most extensive in the field.

". . . important . . . to a world where the calculator is fast becoming as commonplace as a pencil; where every student, housewife, and businessman will depend on his or her calculator every day."

Commodore grows from a seller of calculators to a designer and marketer of a range of products.

1974 ANNUAL REPORT

"Our continued investment in research and technology has resulted in excellent progress in the development of our own integrated circuits . . .

"New plants were opened in Palo Alto, California; Eaglescliff, England; and Bristol, Virginia. Today, these assembly locations account for almost 90% of our total production."

. . . and Commodore becomes an assembler, too.

1975 ANNUAL REPORT

" . . . reduced our customer base to a selected group, world-wide, capable of buying in volume and paying promptly. Sales in North America were initially affected . . . volume in Europe increased sharply . . .

" . . . Commodore's advanced math logic components were completed . . . including the 3D chip . . . the first commercially produced Direct Display Drive chip . . . allowing us to produce a calculator even more simple to make, at a lower cost than ever before . . .

"At a time when a significant number of manufacturing companies were dropping out of the calculator business, Commodore committed more heavily but also applied sound business strategy . . .

" . . . Commodore produced an electronic digital watch module . . . and . . . the first shipments of Commodore's own electronic watches."

1976 ANNUAL REPORT

"In Europe we achieved the largest share of market of any calculator manufacturer . . . and reduced . . . expenses by . . . a million dollars . . . but research and development intact.

" . . . Commodore's leadership in scientific calculators, our most profitable category, increased dramatically.

"More than 80% of the calculators, both scientific and non-scientific, produced by our Company contained a Commodore-designed large scale integrated, metal oxide semiconductor (LSI/MOS) chip.

"We plan to expand significantly the assembly of our own components—particularly of our LED displays, LSI chips and watch modules . . .

"Liquid crystal watches will become a major force . . . We have already made a major investment in liquid crystal production at our plant in Palo Alto.

"We will also be actively engaged in microprocessors, a major advance in the semiconductor technology of LSI/MOS design."

Commodore's beginning as a vertically integrated producer.

1977 ANNUAL REPORT

(Commodore) " . . . to begin a diversification program that already has achieved a more favorable balance of sale of the company's consumer electronic products.

" . . . the beginning of the Commodore Systems division . . . which includes the PET home computer and the KIM microprocessor.

" . . . significant diversification . . . only a little over half our volume comprised electronic calculators."

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